

This Instrument Prepared by:
Tullahoma Municipal Airport Authority, INC.
P.O. Box 1584
Tullahoma, TN 37388

GROUND LEASE AGREEMENT

THIS AGREEMENT is entered into on this the _____ day of _____, 2006, by and between the TULLAHOMA MUNICIPAL AIRPORT AUTHORITY, INC., hereinafter referred to as "Lessor" and _____, hereinafter referred to as "Lessee(s)"; and

WHEREAS, Lessee(s) is desirous of leasing a plot of ground on the Tullahoma Regional Airport (Exhibit A) from the Lessor for the purpose of either 1) erecting an airplane hangar thereon, to be used for hangaring Lessee(s)'s airplane, or 2) entering into a lease agreement for a ground plot that has an existing hangar already in place; and

WHEREAS, the parties are desirous of entering into a written agreement setting forth the rights and responsibilities of the parties; and

NOW, THEREFORE, THIS AGREEMENT:

1. FOR AND IN CONSIDERATION of the sum of \$_____ per month, (which is determined by \$.01 per sq. foot per month of hangar plot space), payable in advance by Lessee(s) to Lessor on the first day of each month, the Lessor does hereby lease to Lessee(s) that plot of ground designated as "Commercial Plot #_____, and of dimensions of _____ feet by _____ feet (area = _____ square feet).

If hangar construction is required, once Lessee(s) shall have constructed an aircraft hangar upon such leased property, Lessee(s) shall pay the sum of \$_____ per month (based on a fee of \$.02 per square foot of hangar area), plus \$5.00 per month for each airplane hangared therein during the term of this lease.

If hangar construction is required, and Lessee has not begun such construction within two (2) years of the execution of this lease, then Lessor shall have the option of terminating this lease or of continuing the lease upon a month to month basis or upon such terms as the parties agree to at that time until such time as a suitable hangar building shall have been constructed.

On January 1, 2007 and on January 1 of each succeeding year, the rental rate shall be increased for the ensuing year based upon the increase in the monthly Consumer Price Index as given by the U.S. Department of Labor.

2. All lease payments due under this Lease shall be paid on the first day of each month to the Treasurer of Lessor. Any lease payments not received by Lessor by

the 10th day of the month shall be considered delinquent, and a ten per cent (10%) late fee shall be assessed for each late payment.

3. The initial term of this Lease shall be for a period of twenty (20) years from the date of this instrument; however, Lessee(s) shall have the option of renewing this Lease for an additional twenty (20) year term, at a rate agreed upon by both Lessor and Lessee(s), and upon such other terms and conditions as may be agreed upon by and between the Lessor and Lessee(s).
4. The Lessee(s) may maintain and repair his own personal aircraft in the leased hangar space, but shall not permit other aircraft to be maintained or repaired in the leased space, without the express prior written authorization of the Lessor.
5. Lessee(s) shall construct a hangar upon the leased property. Prior to construction, Lessee(s) shall submit a design drawing of the proposed hangar construction to Lessor, for approval. The approval by Lessor of the proposed design must be obtained prior to the commencement of construction, but consent may not be arbitrarily withheld. It is recognized that the hangar building shall be the personal property of the Lessee(s). The design drawings and specifications shall meet the codes and standards as required by the City of Tullahoma and also shall meet a strength requirement of 20 pounds per square feet wind load. Furthermore, all construction, whether said construction is for a new hangar, modifications, renovations, or additions to the hangar, shall be subject to approval by the Lessor.
6. All new constructions as well as modifications, additions, or renovations, shall be subject to guidelines as established by the Lessor. These guidelines, as passed by the Lessor, and maintained by them, known as Hangar Standards, shall be followed by Lessee(s) and said guidelines are incorporated herein by reference into this Lease Agreement.
7. Lessee(s) is responsible for and shall keep the leased area free of debris and vegetation, and shall maintain the hangar building in a state of good repair.
8. The Lessee(s) shall procure and keep in full force and effect, a policy of liability and property damage insurance with minimum coverage limits of at least one million (\$1,000,000) dollars. The Lessee(s) shall provide annually, or whenever the Lessee(s)'s insurance is renewed, whichever occurs most often, to Lessor a certificate of insurance is in force and effect. Furthermore, the City of Tullahoma and the Lessor shall be named as additional insured in said contract of insurance.
9. It is further agreed that Lessee(s) shall indemnify and hold harmless the City of Tullahoma and the Lessor from and against any and all causes of action, claims, demands, liabilities, loss, damage or expenses of whatsoever kind and nature,

including reasonable attorneys' fees which Lessor or the City of Tullahoma may incur or sustain by reason or consequence of any accident, injury, or claim brought as a result of injuries, or damages to third parties while on the leased premises or while engaged in Lessee(s)'s business activities.

10. At the termination or expiration of this Lease, or any renewal period thereof, it shall be the absolute and sole responsibility of the Lessee(s) to remove the hangar building located upon the leased premises; however, Lessee(s) shall be permitted to leave the hangar building upon the leased premises, provided that Lessee(s) shall find a suitable tenant, acceptable to Lessor, who will enter into a new lease contract with Lessor, upon such terms and conditions as Lessor and the proposed Lessee(s) may agree upon. Lessee(s) shall have 90 days from the expiration or termination of this Lease within which to remove the hangar building or find a suitable tenant, acceptable to Lessor, failing which the Lessor shall have the right and option of either (1) removing the hangar building, restoring the leased premises to its previous condition, or (2) of declaring the hangar building to be abandoned property, in which event the Lessee(s) shall forfeit to Lessor all of its right, title and interest in and to the hangar building.

In the event that it shall become necessary for Lessor to remove the hangar building from the leased premises, the Lessee(s) shall be responsible for all expenses and costs incurred or sustained by reason of the removal of the hangar building and the cleaning up of the leased premises. In the event that Lessor shall declare an abandonment of the hangar building, the Lessor shall provide Lessee(s) with written notice of its intent to declare the property abandoned, advising the Lessee(s) that all of its right, title and interest in and to the hangar building shall be forfeited to the Lessor unless the hangar building is removed within 90 days of the termination or the expiration of the lease. Such written notice shall be provided to Lessee(s) at least 30 days prior to the date of forfeiture, and Lessee(s) shall be permitted to find a suitable tenant, acceptable to the Lessor, within the time allowed. Lessee(s) shall continue to be responsible and liable for the lease payments currently in effect at the expiration or termination of this lease, until the leased premises have been returned to Lessor.

11. In the event that Lessee(s) shall desire to exercise the option to enter into an additional twenty (20) year lease, then in such event, Lessee(s) shall notify Lessor of the intention to exercise this option at least 30 days prior to the expiration of this initial lease. Lessor and Lessee(s) shall then enter into a new lease agreement for the ensuing twenty (20) year term, upon such terms and conditions as the parties may agree upon.
12. Lessor shall have the right and option to cancel this lease in the event that Lessee(s) shall breach or violate any of the terms or conditions of this lease

agreement. A notice of breach will be issued and the Lessee(s) will have 30 days to correct the breach. Lessee(s) shall be given a 90 day grace period within which to bring all delinquent lease payments current, including late fees, before declaring a forfeiture of this lease by reason of non-payment of the rental. In the event that Lessee(s)'s insurance shall lapse, then in such event, Lessee(s) shall immediately cease all operations and make immediate provisions for the removal of the hangar.

13. In the event that Lessee(s) desires to terminate this Lease prior to the expiration date, Lessee(s) shall be released from this Lease under the following conditions:
 - (a) Lessee(s) shall notify Lessor, in writing, of the desire to terminate this Lease, and shall immediately proceed to either remove the hangar from the leased premises or sell the hangar building to a third party, acceptable to Lessor who shall be permitted to enter into a new lease agreement with Lessors for the balance of the unexpired lease term.
 - (b) In the event that Lessee(s) desires to remove the hangar building, Lessee(s) shall completely remove the hangar building, leaving the leased premises clean and clear of all debris and rubbish, following which, the Lessee(s) shall notify Lessor of this fact in order that a member of the Tullahoma Airport Authority may inspect the leased premises. If the leased premises have been cleared properly, then, in such event, a release shall be executed in duplicate originals by and between Lessor and Lessee(s).
 - (c) In the event that Lessee(s) shall have sold the hangar building to a third party, then, in such event, Lessee(s) shall appear before the Tullahoma Airport Authority with the new purchaser and make a transfer request. If the purchaser of the hangar building is acceptable to the Tullahoma Airport Authority then, in such event, the new purchaser shall enter into a new Lease Agreement under the prevailing terms and conditions that may exist at that time with Lessor and provide a certificate of insurance. In the event of compliance with these provisions, the original Lessee(s) and Lessor shall execute a release in duplicate originals, and Lessee(s) shall no longer be obligated under the terms and provisions of this Lease Agreement.
 - (d) In the event that Lessee(s) shall die during the term of this Lease, then, in such event, Lessee(s)'s Administrators, Executors, or legal representatives shall be permitted to obtain a release from the terms and provisions of this Lease agreement provided that they comply with the terms and conditions set forth herein-above at Paragraphs 13(a), 13(b), and 13(c).
14. The Lessee(s) agrees that all environmental protection agency requirements that apply to the operation of this business shall be complied with and the failure to comply with any environmental protection agency guidelines that are applicable will be grounds for the termination of this Lease.

15. The terms and provisions of this Lease agreement shall be binding by and between Lessee(s) and Lessor and their lawful successors in interest, heirs and assigns, executors and administrators, and legal representatives.
16. Lessee(s) shall not be permitted to sub-lease the leased premises, without obtaining the formal consent of the LESSOR.
17. The term Lessee(s), as used herein, shall mean either the singular or the plural, as the circumstances direct. The term his, as used herein, shall mean either the masculine or female gender, as the circumstances direct.
18. This Lease agreement is contingent upon the formal acceptance of this Lease agreement by the Tullahoma Airport Authority.
19. Should any of the provisions of this Lease be deemed or declared unenforceable, the remaining provisions shall nevertheless be carried into effect.
20. The Lessee(s) shall permit the Lessor to enter into and upon said premises at all reasonable times for the purpose of inspecting the premises to assure compliance with local, state, and federal statutes, codes and regulations.
21. Should the Lessee(s) breach this lease in any manner then the Lessor shall have any and all remedies available to it at law or in equity for recovery of the balance due under this Lease Agreement and/or any and all damages to which they might become entitled as a result of the actions of or default of Lessee(s), including any costs incurred by Lessor in enforcing its rights, whether it be reasonable attorney fees, court costs or any other reasonable cost of whatever nature.
22. The tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, (3) that the tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. That in the event of breach of any of the above nondiscrimination covenants, airport owner shall have the right to terminate the lease and to re-enter as if said lease had never been made or issued. The provision shall not be effective until the procedures of Title 49, Code of Federal

Regulations, Part 21, are followed and completed, including exercise or expiration of appeal rights.

23. It shall be a condition of this lease, that the lessor reserves unto itself, its successors and assigns, for use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property hereinafter described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from or operating on the airport.
24. That the Lessee expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the hereinafter described real property to such height so as to comply with Federal Aviation Regulations, Part 77.
25. That the Lessee expressly agrees for itself, its successors and assigns, to prevent any use of the hereinafter described real property which would interfere with or adversely affect the operation or maintenance of the airport or otherwise constitute an airport hazard.
26. This lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which the airport owner acquired the subject property from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the lease of said lands from the airport owner, and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by the airport owner pertaining to the Tullahoma Regional Airport.
27. Notwithstanding, anything herein contained that may be, or appear to be, to the contrary, it is expressly understood and agreed that the rights granted under this agreement are nonexclusive and the Lessor herein reserves the right to grant similar privileges to another Lessee or other Lessees on other parts of the airport.